GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:5606
ANSWERED ON:07.04.2017
Allocation of Budget for Defence Purchases
Gopal Dr. K.;Kumar Shri Ashwini;Patil Shri Kapil Moreshwar;Reddy Shri J.C. Divakar;Senguttuvan Shri Balasubramaniam

Will the Minister of DEFENCE be pleased to state:

(a) whether a major defence purchase often take years to complete, but the budget allocation lapses at the end of the financial year;

(b) if so, whether as a result, his Ministry is often forced to surrender the allocation meant for capital acquisition, if so, the details thereof and the funds allocated, spent and returned during the last three years;

(c) whether the under-utilisation of the defence allocation is affecting the modernisation programme and defence preparedness and if so, the details thereof;

(d) whether his Ministry has sought non-lapsable funds for arms purchase and if so, the details thereof; and

(e) whether there is any proposal to carry forward the funds to next financial year and if so, the details thereof?

Answer

MINISTER OF STATE (DR. SUBHASH BHAMRE)
IN THE MINISTRY OF DEFENCE
????? ????? ?????? (??. ????? ?????)
(a) to (e): Capital Acquisition of defence equipment is undertaken as a continuous activity to keep the Armed Forces in a state of preparedness to meet the entire spectrum of security challenges. All efforts are made to optimally use budgeted funds for meeting committed liabilities relating to already concluded capital acquisition contracts and for new schemes contracted during the year.

The Revised Estimates and Expenditure in respect of Capital Acquisition for the last three financial years are given below:
(Rs. in crore)

Year	Revised Estimate	Expenditure
2014-15	66151.73	65862.38
2015-16	65400.00	62235.54
2016-17	62619.36	68252.87*

(*Provisional)

The proposal for setting up of a "Non-lapsable Capital Fund Account" is under inter-Ministerial consultation.

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